

North Hopkins Water District
1580 Neelie Webb Road
Madisonville, Kentucky 42431

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PUBLIC SERVICE
COMMISSION

January 31, 2004

Public Service Commission of Kentucky
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40601

2004-00037

Pursuant to KRS 278.012 and 278.015 we respectfully submit the enclosed application for a Purchased Water Rate Adjustment.

Sincerely,



Billy Parker, Chairman

cc: file

PURCHASED WATER ADJUSTMENT FOR
WATER DISTRICTS AND ASSOCIATIONS
(807 KAR 5:068)

North Hopkins Water District

(Name of Utility)
January 31, 2004

(Date)
1580 Neelie Webb Road

(Address)
Madisonville, KY 42431

(City, State)
(270) 825-1623

(Telephone Number)

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**PUBLIC SERVICE
COMMISSION**

Case 2004-00037

- 1.a. Name of all wholesale suppliers and the base (current) rate and changed rate of each. In the event the water purchased is billed by the supplier on a rate that is not a flat rate schedule, the entire rate shedule must be shown. Attach additional sheets if necessary.

Supplier(s)	Base Rate	Changed Rate
City of Madisonville, KY	\$1.89 per 1000 gallons	\$1.82 per 1000 gallons
_____	_____	_____
_____	_____	_____
_____	_____	_____

The decreased water cost is the cost difference between purchases at base (current rate) and purchases at new rate.

6. Purchased water adjustment factor .08 per 1,000 gallons .

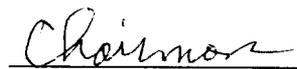
The purchased water adjustment factor is obtained by dividing the decreased cost of water by the total gallons sold.

Note: The purchased water adjustment factor is added to each thousand gallons sold. If the minimum usage is 2,000 gallons then the purchased water adjustment factor would be added to the minimum bill twice. Revised tariff sheets must be attached showing the rate to be charged by the utility and the effective date of the increased rates.

7. Proposed effective date March 1, 2004 .



(Signature of Utility Officer)



(Title)

P.S.C. NO. _____

____ SHEET NO. _____

North Hopkins Water District
Name of Issuing Corporation

CANCELING P.S.C. NO. 2003-00037

____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Monthly Rates

5/8 x 3/4 Inch Meters

First 2,000 gallons	\$19.26 (Minimum Bill)
Next 2,000 gallons	9.33 per 1,000 gallons
Next 3,000 gallons	6.98 per 1,000 gallons
Next 3,000 gallons	5.83 per 1,000 gallons
Over 10,000 gallons	4.03 per 1,000 gallons

3/4 Inch Meters

First 3,000 gallons	\$28.59 (Minimum Bill)
Next 1,000 gallons	9.33 per 1,000 gallons
Next 3,000 gallons	6.98 per 1,000 gallons
Next 3,000 gallons	5.83 per 1,000 gallons
Over 10,000 gallons	4.03 per 1,000 gallons

1 Inch Meters

First 5,000 gallons	\$45.90 (Minimum Bill)
Next 2,000 gallons	6.98 per 1,000 gallons
Next 3,000 gallons	5.83 per 1,000 gallons
Over 10,000 gallons	4.03 per 1,000 gallons

1-1/2 Inch Meters

First 10,000 gallons	\$76.35 (Minimum Bill)
Over 10,000 gallons	4.03 per 1,000 gallons

2 Inch Meters

First 15,000 gallons	\$96.50 (Minimum Bill)
Over 15,000 gallons	4.03 per 1,000 gallons

DATE OF ISSUE January 31, 2004

DATE EFFECTIVE March 1, 2004

ISSUED BY Billy Parker

TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. _____
dated _____.

EXHIBIT A



BERRY & KINGTON, PSC
CERTIFIED PUBLIC ACCOUNTANTS

2822 North Main Street
Madisonville, KY 42431
Phone: 270-821-3355
Fax: 270-821-0101
email: cpas@berryandkington.com

January 27, 2004

Mr. Lloyd Merrell
City Administrative Officer
City of Madisonville, Kentucky
P.O. Box 705
Madisonville, KY 42431

Dear Lloyd:

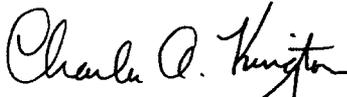
We have prepared the accompanying Cost Review Formulas for revising calendar year wholesale rate charges as per Treated Water Sale and Purchase Agreements with the North Hopkins Water District.

We prepared the Cost Review Formulas using June 30, 2003 audited financial statements and wholesale user consumption records as provided by the City of Madisonville. We did not audit the wholesale user consumption records during our June 30, 2003 audit due to the fact that such records were outside the scope of the audit.

The wholesale water rate to be charged to the North Hopkins Water District is \$1.82 per each one thousand gallons of treated water. It is my understanding that the new rate will be charged from March 1, 2004 to December 31, 2004.

We appreciate the opportunity to be of service to the City of Madisonville. Please call if you have any questions regarding these computations.

Very truly yours,


Charles A. Kington, CPA

North Hopkins Water Distric
Purchased Water Rate Adjustment
Date of Issue: January 31, 2004

EXHIBIT B - PURCHASED WATER ADJUSTMENT CALCULATIONS

Water Purchased: 73,698,000 gallons
Water Sold: 62,543,410 gallons

Cost at changed rate: $73,698,000/1,000 \times \$1.82 = \$134,130.36$

LESS

Cost at base rate: $73,698,000/1,000 \times \$1.89 = \$139,289.22$

Decrease in cost -----
(\$ 5,158.86)

$\$5,158.86/62,543,410$ gallons sold = $\$.0000825$ or $\$.08$ per 1,000 gallons